



RESIDENTIAL BROKERAGE

527 MAIN STREET  
EAST GREENWICH, RI 02818  
BUSINESS (401) 884-8050  
FAX (401) 884-9097  
ColdwellBankerHomes.com

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To the Honorable Members of the House Finance Committee:

Thank you for accepting this testimony as you consider the bills on the Real Estate Conveyance Tax and Article 16. A bit of background first. I have been a Realtor in RI for 36 years and have certainly seen a variety of markets in that time. Each has presented its own victories and challenges. All have been valuable learning experiences. It is with this perspective that I offer some recommendations today.

I ask that the Committee consider that the thrust of H5456 focuses on creating a more holistic approach to funding affordable housing and housing policy for the future. Since home sales provide a significant segment of Rhode Island's economy, over 18%, it would seem prudent that a fully researched, considerate resolution to creating and supporting affordable housing makes total sense.

The legislation before you that is supported by the Rhode Island Association of Realtors is based on the support of 6 out of 10 Rhode Islanders who are looking to you to develop policies and practices which funnel tax dollars created through Real Estate transactions back into housing. That is justified and defensible and certainly would go a long way to providing opportunity for more low- and moderate- income families and individuals to own their own homes. The current Real Estate market, while truly exciting for sellers and agents, is not a level

playing field for all consumers. The impact of Article 16 would add another instance of inequity and appears that this would be another band-aid approach to housing policy in Rhode Island.

The best move would be to commission an in-depth, intense study of housing policy, taking a look at a fair and equitable distribution of the funds garnered from Real Estate transactions. It should also assess the impact of more uniform local and state regulations with regard to housing and home construction. I believe that this would yield a solid long-term resolution to Rhode Island's housing issue and propel even more support for the overall economy. To do less will only be another example of kicking the can down the road. Meanwhile frustrated would-be homeowners give up hope in achieving their part of the American dream of homeownership and we miss another opportunity for more sound communities.

Thank you.



Patricia A. Lenihan

Managing Broker, Coldwell Banker Realty

Realtor since 1985